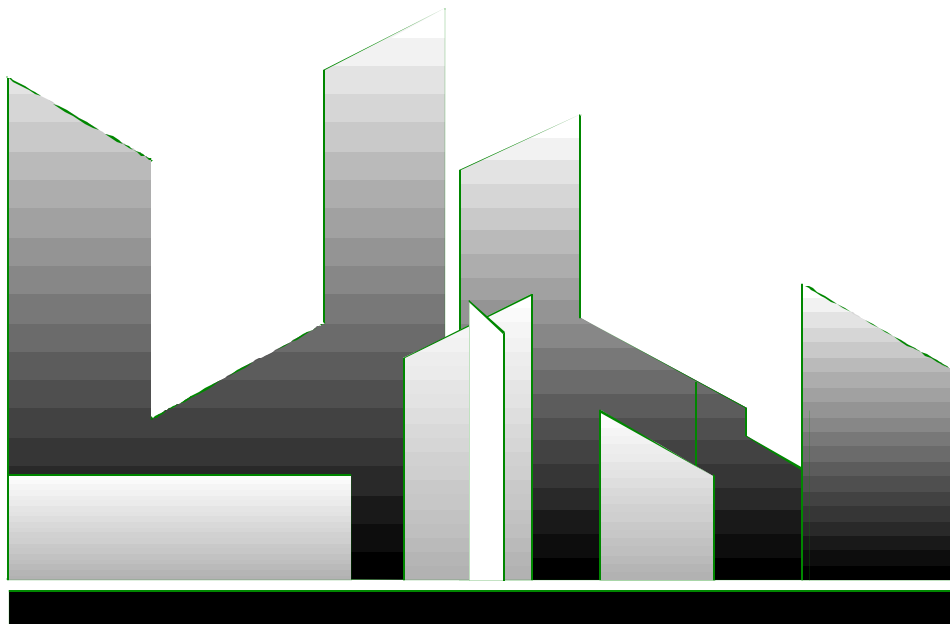


Strategic Plan

August 14, 2002

Version 1.2



Real Estate Services Division

STRATEGIC PLAN

FY 2002-2003

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Department of General Services
Real Estate Services Division
Strategic Planning Team

Deputy Director: Kenn Kojima, Real Estate Services Division

Assistant Deputy Director: Deborah Hysen, Real Estate Services Division

Chiefs:

- ◆ Jack Barr, Jr., Chief – Professional Services Branch
- ◆ Tim Bow, Chief – Building and Property Management Branch
- ◆ Geoff Brandt, Chief – Business Operations Policy & Planning Branch
- ◆ John Brooks, Chief – Asset Planning & Enhancement Branch
- ◆ Margaret Hudson, Chief – Project Management Branch
- ◆ Rich Sturman, Chief – Customer Account Management Branch

Strategic Planning Team:

- ◆ Geoff Brandt, Chief – Business Operations Policy & Planning Branch
- ◆ Dale Carter, Research Program Specialist – Research, Planning and Measurement
- ◆ Dennis Corelis, Chief – Design Services – Professional Services Branch
- ◆ Jim Derby, Assistant Chief – Asset Planning & Enhancement Branch
- ◆ John Golemon, Capital Outlay Program Manager – Project Management Branch
- ◆ Joel McDonald, Chief – Special Programs – Professional Services Branch
- ◆ David Nisenbaum, Assistant Chief – Customer Account Management Branch
- ◆ Ted Park, Chief – Cost Control – Professional Services Branch
- ◆ Rick Rusk, Capital Outlay Program Manager – Project Management Branch
- ◆ Michael Thomas, Assistant Chief – Building and Property Management Branch
- ◆ Lee Willoughby, Capital Outlay Program Manager – Project Management Branch

Assistant Chiefs:

- ◆ Dennis Corelis, Chief – Design Services – Professional Services Branch
- ◆ Bob Courtner, Chief – Construction Services – Professional Services Branch
- ◆ Frank Davidson, Assistant Chief – Asset Planning & Enhancement Branch
- ◆ Lewis Dean, Capital Outlay Program Manager – Project Management Branch
- ◆ Jim Derby, Assistant Chief – Asset Planning & Enhancement Branch
- ◆ John Golemon, Capital Outlay Program Manager – Project Management Branch
- ◆ Glenn Hezmalhalch, Capital Outlay Program Manager – Project Management Branch
- ◆ Jim Hixon, Assistant Chief – Building & Property Management Branch
- ◆ Gary Lee, Assistant Chief – Operations Support – Business Operations Policy & Planning Branch
- ◆ Faye McGirr, Assistant Chief – Contracts Management – Business Operations Policy & Planning Branch
- ◆ Joel McDonald, Chief – Special Programs – Professional Services Branch
- ◆ David Nisenbaum, Assistant Chief – Customer Account Management Branch
- ◆ Ted Park, Chief – Cost Control – Professional Services Branch
- ◆ Rick Rusk, Capital Outlay Program Manager – Project Management Branch
- ◆ Phil Salamy, Chief – Real Estate Services Section – Professional Services Branch
- ◆ David Sharkey, Assistant Chief – Building & Property Management Branch
- ◆ Bob Sleppy, Chief – Environmental Services – Professional Services Branch
- ◆ Richard Teramoto, Capital Outlay Program Manager – Project Management Branch
- ◆ Michael Thomas, Assistant Chief – Building & Property Management
- ◆ Lee Willoughby, Capital Outlay Program Manager – Project Management Branch

EXECUTIVE SUMMARY

Real Estate Services Division **STRATEGIC PLAN** **FY 2002-2003**

WHY ANOTHER PLAN?**It is time to:**

- ◆ sharpen our focus on customer needs, *and*
- ◆ build a planning/performance measurement system to support long range planning and high level policy decisions.

BACKGROUND

The Real Estate Services Division, a relatively new organization, combines many of the functions and duties formerly performed by separate DGS entities.

The Division's six branches operate as a "**matrix organization**", with the ability to mobilize the right people at the right time with the right resources to complete an assignment or solve a problem. We offer a single contact point to coordinate RESD resources to meet specific customer requirements. Current RESD data (as of May 2002) include the following dimensions:

REAL ESTATE SERVICES DIVISION**May 2002**

Total Authorized Positions	2,049
Total Annual Support Budget	\$257,284,000
Total Square Feet DGS Owned Buildings	11,669,000
Total Annual Rent – DGS Owned Buildings	\$150,132,000
Total Square Feet – Leased Space	20,300,000
Total Annual Rent-Lease Management	\$371,124,000
Total Leases Managed	2,100
Current Active Major Capital Projects	343
Value of Active Major Capital Projects	\$3,837,000,000
Other Real Estate Services Transactions¹	1,548
Value of Other Transactions	\$1,462,514,000

¹ Number of transactions including annual rent from non-state entities, Appraisals, Acquisitions, Surplus Sales, Due Diligence Reports, Property Sales (Asset Enhancement)

PLANNING AT RES D

Since October 1999 Division managers have been meeting to review the Division's performance, future and planning. Their efforts produced an **inventory** of accomplishments, an **analysis** of the trends that will affect the Division, and a **commitment to strategic planning**. A team of senior managers began to prepare the plan in January of 2002.

PLAN CONTENTS

This plan begins with the DGS Mission, proceeds to the RES D Vision and Mission statements, and articulates the Core Values—the principles that guide our work. We then present the basics:

PLAN BASICS

◆ GOALS

Clear RES D **Goals** define our desired future and reflect wide-ranging program results.

◆ OBJECTIVES

Measurable **Objectives** relate directly to each RES D Goal.

◆ STRATEGIES

Strategies show specific, verifiable actions to accomplish the objectives and provide a basis for applying its provisions.

◆ IMPLEMENTATION

An **Action Proposal** describes the requirements for an **Implementation Plan**.

◆ EVALUATION

Monitoring and Evaluation describes procedures for updating the plan.

GOALS and OBJECTIVES

The Strategic Plan contains four Goals, each of which has from 5 to 10 specific objectives. Each Objective involves several proposed implementation strategies. A summary of Goals and Objectives appears below:

GOAL	SUMMARY/DISCUSSION
I. Thrill our customers	The Real Estate Service Division's Mission highlights our primary emphasis on customers. Six objectives and 33 Strategies provide an agenda to maintain our customer focus.
II. Get and keep great people	Because knowledgeable, personable, and satisfied employees produce satisfied customers, we will hire, develop, and retain excellent staff. Five objectives with 17 associated strategies lay the foundation for an exceptional workforce
III. Provide Excellent Products and Services	This section emphasizes the objectives and strategies that most directly affect our continuing pursuit of excellence. Ten objectives (four of which are shared with Goal I) and 21 additional strategies promise enhanced services and products.
IV. Be Responsible – Ethically, Legally and Fiscally	The Department of General Services, the Governor, other State Agencies, the Legislature and the taxpayers rely on us to perform our work in a manner that is ethical, legal and fiscally responsible. We can best serve our customers by meeting their needs in a manner consistent with the responsibilities entrusted to us. Making Responsibility a formal goal highlights the importance of this aspect of the products and services we provide.

IMPLEMENTATION PLAN

Making the RES D Strategic Plan a reality will require us to prepare a detailed [Implementation Plan](#)

REQUIREMENTS

We will need to identify tasks and activities, specify their sequence and timing, assigning responsibilities, set deadlines and estimate costs for additional staff and operations. Work on the **Implementation Plan** will follow final approval and adoption of this Strategic Plan.

HOW ARE WE DOING?
MONITORING AND EVALUATION

This Plan is a living document. Because its survival will depend on responding to changing conditions and meeting new challenges.

METHODS We propose a process and responsibilities for regularly reviewing the Plan's usefulness and adapting it to future conditions.

RES D
Strategic Plan
August 14, 2002



Real Estate Services Division
STRATEGIC PLAN
FY 2002-2003

WHY ANOTHER PLAN?

It is time to:

- ◆ sharpen our focus on customer needs, *and*
- ◆ build a planning/performance measurement system to support long range planning and high level policy decisions.

BACKGROUND

RESD Origins and Duties

The Real Estate Services Division combines many of the functions and duties formerly performed by separate DGS entities. Following the recommendations of an independent consulting firm, the Department in 1997 consolidated complementary DGS real estate and property management services.

RESD branches now offer:

- ◆ **Asset Planning and Enhancement**
- ◆ **Property Sales and Acquisition**
- ◆ **Project Management**
- ◆ **Architecture and Engineering**
- ◆ **Leasing and Planning**
- ◆ **Property Management and Building Maintenance**
- ◆ **Construction Management**
- ◆ **Construction Inspection**
- ◆ **Environmental Assessment**

Operations: A Single Contact

The Real Estate Services Division operates as a “**matrix organization**”, bringing together formerly separate entities to encourage and sustain responsive, coordinated real estate services. The Division can mobilize the right people at the right time with the right resources to complete an assignment or solve a defined problem.

Operations: A
Single Contact
(Cont'd)

Offering our customers single contact point is the key to this approach, with designated professionals (*CUSTOMER ACCOUNT MANAGERS*) available to coordinate RESD resources to meet specific customer requirements. The charts in **Appendix A** represent the current organization of all six RESD Branches.

GOVERNANCE

The Division manages under a set of **Organizing Principles** that guide the **Leadership Responsibilities** of the **Executive Management Team**.

Organizing Principles

The Division manages and conducts its work according to the following principles:²

- ◆ ORGANIZE TO PROVIDE **EFFECTIVE, HIGH QUALITY** SERVICE
- ◆ **ELIMINATE DUPLICATION** WITHOUT LOSING FUNCTIONALITY
- ◆ MAINTAIN A CONSOLIDATED **PROFESSIONAL SERVICES** ENTITY WITH STRONG CONTINUING MANAGEMENT
- ◆ MAINTAIN THE **POLICY EXECUTIVE COMMITTEE** THAT DEVELOPS AND COORDINATES THE STATE'S REAL ESTATE POLICIES AND **EXCELLENCE IN PUBLIC BUILDINGS** INITIATIVE
- ◆ EMPLOY BEST PRACTICES FOR **PROJECT MANAGEMENT, PROPERTY MANAGEMENT, AND ASSET MANAGEMENT**
- ◆ CREATE AN ENTITY WITHIN THE DIVISION TO DEVELOP AND MAINTAIN STATE REAL ESTATE **POLICIES AND STANDARDS**
- ◆ CONSOLIDATE **LEASE ADMINISTRATION** FUNCTIONS
- ◆ MAINTAIN **LOCAL PROPERTY MANAGEMENT** CAPABILITIES IN STATE CONTROLLED FACILITIES
- ◆ PROVIDE **COMMON SUPPORT** SERVICES
- ◆ EMPLOY **INTEGRATED SYSTEMS** AND TECHNOLOGY
- ◆ EMPHASIZE **PERFORMANCE MEASUREMENT** AND **CONTINUOUS IMPROVEMENT** TECHNIQUES

² RESD Branch Chiefs update June 10, 2002

Leadership Responsibilities

The RESD Executive Management Team is comprised of the Deputy Director, the Assistant Deputy Director and the Branch Chiefs. This entity assures that each Branch of our matrix-based organization serves our customers effectively. Major governance functions are assigned below:

Executive Management Team

This Team's responsibilities include:

- ◆ Providing strong leadership that realizes our customer service vision by:
 - Focusing management attention on delivering seamless, customer-focused real estate services
 - Motivating employees to act in accordance with this vision
- ◆ Developing and implementing fully integrated real estate policies, guidelines and practices
- ◆ Resolving inter-Branch process and organization issues
- ◆ Promoting and reinforcing the matrix team concept that underlies our organization and communicating these principles throughout the Division
- ◆ Setting values, performance expectation and priorities for the entire organization and communicating the Team's priorities

Executive Management Team Members

Each member of the Executive Management Team will:

- ◆ Participate on the Team as equals
- ◆ Follow the "Rules of Engagement"
- ◆ Develop a leadership "culture" that uses matrix team concepts
- ◆ Support one another in carrying out the division's organizing principles
- ◆ Establish and foster a cooperative culture within RESD (see the following section)

**CURRENT
ENVIRONMENT**

The following data provide a snapshot of current RESD responsibilities as of June 2002. A general summary appears below while a workload summary appears on the following page.

RESD OVERVIEW**June 2002**

(Unless otherwise noted, data are valid as of 6/19/02)

	<u>Number</u>	<u>Dollars</u>
RESD Operations		
Authorized Positions (FY 2001-02)	2,049	
Annual Support Budget (FY 2001-02)		\$257,284,000.00
DGS-Owned Facilities (DGS is lessor—office and warehouse space)		
Square Feet	11,669,000	
Annual Rent Received by DGS (BRA)		\$150,132,000.00
DGS-Leased Facilities (DGS is lessee)		
Number of Leases	2,100	
Square Feet	20,300,000	
Annual Rent		\$378,000,000
Construction Projects		
Direct Construction Projects (PSB)	444	\$77,000,000
Projects in Leased Space (PSB)	400	\$300,000,000
Projects in State Facilities (PSB)	450	\$45,000,000
Major Capital Outlay (PMB/PSB)	343	\$3,837,000,000
TOTAL CONSTRUCTION (Projects and \$)	1,637	\$4,259,000,000

RESO OVERVIEW (Cont'd)

	<u>Number</u>	<u>Dollars</u>
Other Real Estate Services (PSB)		
Annual Rent Received by the State (from non-State entities)	1,174	\$14,960,000
Appraisals Performed Annually *	42	\$79,600,000
Appraisals Reviewed Annually *	177	\$788,000,000
Property Acquisitions Annually *	14	\$54,500,000
Acquisition Review Annually (For PWB) *	60	
Transaction Reviews Annually (For Other Agencies) *	56	
Due Diligence Reports Annually *	18	
Surplus Sales	4	\$954,000
<i>TOTAL: Other Real Estate Services</i>	<i>1,545</i>	<i>\$938,014,000</i>
Asset Enhancement		
Sale of three properties in Santa Clara County	3	\$200,000,000
<i>TOTAL: Other Real Estate Services and Asset Enhancement</i>	<i>1,548</i>	<i>\$1,272,014,000</i>

* Average annual data

PLANNING AT RESD

First Steps: In October 1999 the Assistant Branch Chiefs met to review the Division's performance. Several sub teams were formed to look at:

- ◆ Program Interdependence
- ◆ Roles and Responsibilities
- ◆ Strategic Planning

Motivation for Planning: An authority on Strategic Planning for non-profit (and government) organizations argues that strategic planning:

“... stresses the importance of making decisions that will ensure the organization's ability to **successfully respond to changes** in the environment.”³

Case for Strategic Planning: On January 29, 2001 the Assistant Branch Chiefs presented the case for having a lucid, widely circulated strategic plan. With the concurrence of the RESD chiefs, a sub-team then canvassed each Branch for an inventory of accomplishments and proposed strategies for program improvements.

The RESD planning team undertook an exhaustive analysis of the current environment and future trends that will affect the Divisions work in the coming years. A summary of the findings concerning the strengths, weaknesses, opportunities, and threats appears in **Appendix C: SWOT ANALYSIS**. These findings contain the rationale for the plan's goals, objectives, and strategies.

The team also referenced the Cooperative Culture document developed by the RESD Branch Chiefs during a past offsite for developing goals and objectives.

³ Carter McNamara, MBA, Ph.D., **Strategic Planning (in nonprofit or for-profit organizations)**, Free Management Library(SM), <http://www.managementhelp.org/>

Commitment to Strategic Planning:

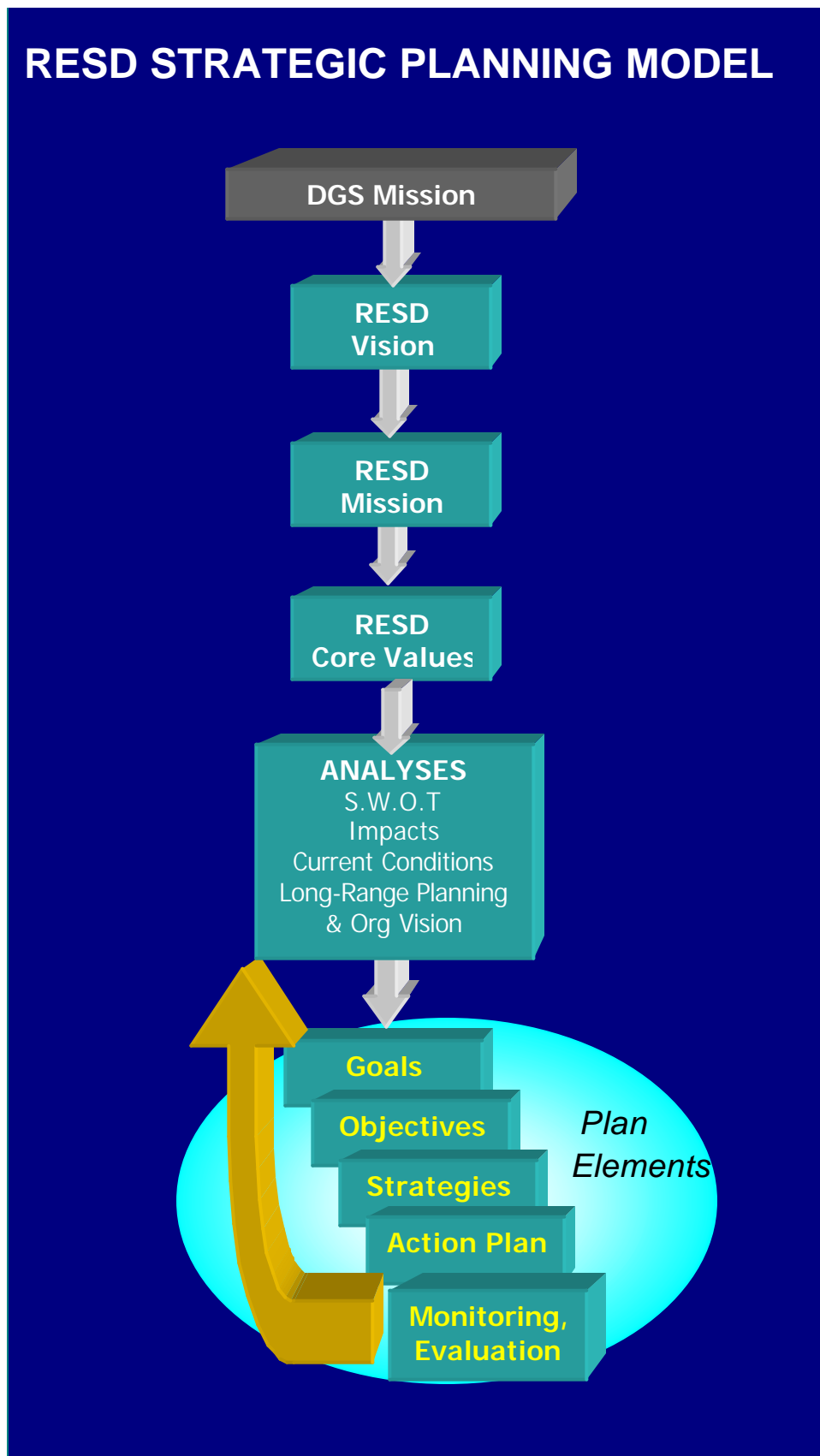
In August 2001 the Assistant Branch Chiefs agreed to continue the strategic planning efforts. The appointment of a new Assistant Deputy Director in September 2001 strengthened this commitment, and a team of Assistant Chiefs began to prepare the plan on December 19, 2001.

Plan Basics:

This plan begins with the **DGS Mission**, proceeds to the **RES D Vision** and **Mission** statements, and articulates the **Core Values** that guide our work. With these essential values in place we present:

- ◆ **Clear RES D Goals** that reflect wide-ranging program results
- ◆ **Measurable Objectives** that relate directly to RES D Goals
- ◆ **Explicit Strategies** with specific, verifiable actions

The figure on the following page illustrates the logic underlying our planning model.



THE STRATEGIC PLAN

DGS Mission

The Department of General Services Mission Statement found on the DGS web site (<http://www.dgs.ca.gov/AboutDGS/default.htm>) reads:

"Working together, we deliver innovative solutions and services with efficiency, economy and integrity to help our customers succeed."

These concepts pave the way for our **Vision**, **Mission**, and **Core Values**:

Plan Elements

VISION:

The Customer's Choice

Develop Long Range Organizational Vision

- ◆ **Where we want to be; What we want to look like; and What our Core Competencies will be in 5 years.**

MISSION:

We are a diversified full service real estate organization dedicated to fulfilling our customers' facility and real property needs.

CORE VALUES:

The following Section (**Where Are We Coming From?**) contains the values that guide our work, the way we treat our customers and relate to each other.

- ◆ **Core values**--the principles that guide our work--and
- ◆ **Core competencies**—the things we do the best

We present these goals in "**plain English**", favoring realistic, practical expressions of desirable accomplishments.

OBJECTIVES AND STRATEGIES:

This plan includes objectives that can be **measured and independently verified**; it also proposes measurement methods. Strategies with specified major events, actions, or milestones accompany each objective.

WHERE ARE WE COMING FROM? RES D CORE VALUES

The Real Estate Services Division operates from some core values that underlie our operations, inspire our managers, motivate our employees, and thrill our customers

Integrity: The Foundation

1. Integrity forms the foundation of the organization and sets the tone for our performance. We will:

- ◆ build **relationships and trust** with each other and our customers
- ◆ gain credibility through **honesty** and **fairness**, and
- ◆ keep our customers by **keeping our promises**.

Services: Cooperation

We work in **partnership** with our customers, assuring that managers and staff:

- ◆ **communicate** openly and honestly with our customers to achieve creative and innovative solutions;
- ◆ promise personal **responsibility** and **accountability** for our actions, and
- ◆ provide **effective** and **timely** services at **competitive prices**.

Quality: Excellence

To guarantee **excellence** and **innovation** in our work, we:

- ◆ cultivate **creativity**, foster **competence**, and nurture **dedication**;
- ◆ encourage open **communication** among our staff;
- ◆ instill **knowledge** and **skills** that leading to increased productivity;
- ◆ emphasize team and individual **accountability**;
- ◆ relentlessly pursue continuous **improvement**, and
- ◆ ask ourselves: "Does this action **add value** for our customers?"
- ◆ **measure performance** to document what we do, how much we do and how well we do it, and
- ◆ regularly **survey our customers**.

People: Our Key Asset

2. Understanding that enthusiastic and effective workers produce contented customers, RESD creates and maintains a happy environment. To this end we:
 - ◆ nurture an environment of **trust, courtesy, dignity**, and **compassion**;
 - ◆ encourage **high achievement**, productivity, initiative and accomplishment in a positive atmosphere;
 - ◆ ensure a **safe and healthy** work environment;
 - ◆ communicate in ways that demonstrate **mutual respect** for our diverse abilities, perspectives and backgrounds;
 - ◆ seek first to **understand**, suspending judgement, listen actively, and communicate in an open, honest and respectful manner;
 - ◆ recognize the importance of a **balanced** personal, family and professional life and **support** each other through fun and good humor, and
 - ◆ encourage, and provide opportunities for **personal fitness** – eating right, exercising regularly.

Teamwork: Managing for Success

Because results sustain our success, we:

- ◆ **manage** our projects in a **team environment**,
- ◆ maintain clear and open **communication** among team members and among the teams, and
- ◆ encourage all team members to use **individual initiative** and act as **leaders**.

These five core values underlie the following Goals, the Objectives we will pursue to reach these Goals, and the Strategies we have selected to accomplish our Objectives.

GOAL I: THRILL OUR CUSTOMERS

The Real Estate Service Division's Mission highlights:

"... FULFILLING OUR CUSTOMERS' FACILITY AND REAL PROPERTY NEEDS."

Our primary goal should reflect the emphasis on customers. The following six objectives and Strategies provide an agenda to maintain our customer focus.

SHORT-TERM OBJECTIVES: We will accomplish Objectives I-1 through I-3 in 12 months.

Objective I-1: Connect With Our Customers.
[Improve communications with our customers.]

Strategies:

To build and maintain productive relationships and mutual trust with our customers we will:

- ◆ Keep **communication** open and honest,
- ◆ Establish **target response times** for service requests,
- ◆ Provide for regular **progress reporting**,
- ◆ Keep customers **informed** about their projects: let them know before they ask,
- ◆ Implement **on-line service requests** (*CRUISE*),
- ◆ Develop and implement reliable **customer survey** tools,
- ◆ Develop and implement a plan for **improving customer satisfaction** based on recent survey findings.

Performance Measurement Methods::

Customer surveys
Track response time
Track status reporting

Objective I-2: Keep Your Promises to Meet Project Commitments

Strategies: To maintain our emphasis on customer needs, we will:

- ◆ Implement a **Post Occupancy Evaluation** (POE) Program to:
 - Use POE results to identify what makes a difference for our customers and which of these factors correlate strongly with customer success.
 - Change or enhance RESD operations, standards, design criteria, or emphases to accentuate RESD characteristics that drive customer success.
 - Follow up with customers to assure that customers have benefited.
- ◆ Do things that make a difference for our customers—what we can do to make their work easier and more effective.
- ◆ Focus our work to best assist customers achieve success.

Performance Measurement Methods::

*Post Occupancy Evaluations;
Customer Interviews, and
Commissioning Reports*

Objective I-3: Find Out What Our Customers Want and Deliver it [Increase the number/percentage of projects completed within the authorized scope.]

Strategies: Assure that project work **conforms to customer design/construction requirements** by:

- ◆ Finding out what each customer wants and expects,
- ◆ Developing project **scope agreements** with customers,
- ◆ Monitoring **work compliance** with scope agreement provisions,
- ◆ Developing procedures for **changing scope** provisions, and
- ◆ **Comparing** actual scope to planned scope (adjusted for scope changes, client-requested revisions, etc.)

Performance Measurement Methods::

Scopes completed; develop methods to measure performance based upon project scope provisions, documented project progress and accomplishments

MID-TERM OBJECTIVES: **We will accomplish Objectives I-4 and I-5 in 24 months.**

Objective I-4: **Find out and improve what our customers think of us.**

Strategies: **Refine** and **increase the frequency** of customer satisfaction surveys by:

- ◆ Regularly reporting feedback to the (RES D) service providers,
- ◆ Conducting annual customer surveys and monthly customer surveys through the CAM Branch,
- ◆ Developing and implementing a plan for improving customer satisfaction by asking customers what they want measured,
- ◆ Reporting to customers what we did as a result of the information they reported, and
- ◆ Asking customers if they need more, or different, information.

Performance Measurement Methods:: **Customer Surveys**

Objective I-5: **Deliver What Our Customers Want When They Want It.**
[Complete projects on schedule.]

Strategies: To assure that project work **conforms to customer time requirements**, we will, in consultation with our customers:

- ◆ Develop a **definition** of “on schedule” and **criteria** for measuring it,
- ◆ Design consistent **format** and **content** for project schedules,
- ◆ Develop to **performance measures** based on schedule data,
- ◆ Design a strategy for **communicating** project progress,
- ◆ **Document** the number of projects completed on schedule,
- ◆ **Document** the causes of project delays, focusing on the most costly and frequent types of delay, and
- ◆ Develop and implement **recommendations** for corrective action.

Performance Measurement Methods: **Annual Variance Reports for Major Capitol Projects**

Need other methods for other activities

LONG-TERM OBJECTIVES: **We will accomplish Objective I-6 in 36 months.**

Objective I-6: Deliver the Most Bang for the Buck.
[Complete projects within budget.]

Strategies: To assure that project work **conforms to customer cost expectations**, we will, in consultation with our customers:

- ◆ Develop a consistent **definition** of “within budget”,
- ◆ Develop the competency to build **project budgets** for all major services,
- ◆ Obtain **customer input** and buy-in for new budget proposals,
- ◆ Develop **performance measurement methods**,
- ◆ **Measure and document** the number of projects completed within budget,
- ◆ **Document** the causes of budget over-runs, focusing on the most costly and frequent types of over-runs, and
- ◆ Develop and implement **recommendations** for corrective action.

Performance Measurement Methods: *Develop tools/metric devices for performance measurement based on verifiable data*

GOAL II: GET AND KEEP GREAT PEOPLE

Customer satisfaction depends on our workforce. Knowledgeable, personable, and satisfied employees produce satisfied customers. To this end we will hire, develop, and retain excellent staff.

SHORT-TERM OBJECTIVE: We will accomplish Objective II-1 in 12 months.

Objective II-1: Find Enough Talented people to Get the Job Done

- Strategies:** To build and maintain a diverse and competent workforce, we will begin a program that includes:
- ◆ Focused **recruitment**, involving universities with reputable real estate programs,
 - ◆ Continuous **testing**, and
 - ◆ **Publicizing employee** successes and contributions.

Performance Measurement Methods:: Vacancy rates

MID-TERM OBJECTIVES: We will accomplish Objectives II-2, II-3 and II-4 in 24 months.

Objective II-2: Make Our People Part of the Team. [Increase employee satisfaction]

- Strategies:** To build and maintain employee satisfaction we will:
- ◆ Use data from recent employee surveys to identify what employees want,
 - ◆ Assure that any future surveys contain questions that explore employee aspirations for congenial, safe and motivating working conditions,
 - ◆ Follow up with "town hall meetings", and
 - ◆ Develop and implement procedures to improve and maintain safe, pleasant and productive work environments.

Performance Measurement Methods: Employee Survey;
Frequency and rates of Workers' Comp. claims, absenteeism, EEO complaints, labor grievances

Objective II-3: Celebrate Great Work

[Acknowledge superior performance.]

Strategies: To build and maintain employee aspirations and achievement we will:

- ◆ Evaluate existing **recognition programs** (Such as DGS Gold & Silver Awards)
- ◆ Actively **seek opportunities to recognize** superior individual and team performance,
- ◆ **Advertise** and **honor** our successes by:
 - Regularly distributing announcements of RESD staff accomplishments electronically (web site postings and/or e-mail
 - Developing methods of communicating successes to target audiences—customers, DGS Executive Office, Governor's Office Secretary of State and Consumer Services, the Legislature
 - Incorporating these materials into the DGS Marketing Program

Performance Measurement Methods: *Trends in frequency and proportion of employee awards; notices and awards from professional associations; articles in the professional journals; positive stories and articles in the news media*

Objective II-4: Provide great tools for great people

[Assure that we have the resources and training to provide excellent products and services.]

Strategies: To assure that our employees have the physical (space, facility and equipment) resources and the knowledge and skills to stay ahead of emerging trends, we will:

- ◆ Develop and implement a RESD **facilities/equipment plan**
 - **Survey and evaluate** RESD workplaces and facilities
 - **Inventory and evaluate** equipment (particularly IT equipment)
 - **Identify needs** for facility and equipment changes, upgrades and replacements, with estimated **costs**
- ◆ Develop and implement a RESD **Training and Development Plan**, including:
 - A training **needs assessment**,
 - A training **budget**,
 - Coordination with RESD University.

Performance Measurement Methods: *A completed facilities and equipment Plan and a Training and Development Plan with provisions for regular updates*

LONG-TERM OBJECTIVE: We will accomplish Objective II-5 in 36 months.

Objective II-5: Promote good health.

Strategies: To promote healthy employee lifestyles we will:

- ◆ Encourage staff to take care of their mental and physical health,
- ◆ Encourage participation in the **DGS Wellness Program**, and
- ◆ Create/maintain safe, happy, and productive **work environments**.

Performance Measurement Methods: *Sick leave use and rates, number and rates of Workers' Comp. Claims and expenditures*

GOAL III: PROVIDE EXCELLENT PRODUCTS AND SERVICES

Everything we propose in this plan improves our products and services. In this section we emphasize the objectives and strategies that most directly affect our pursuit of excellence. Objectives III-1, III-2, and III-6 below are also found in the discussion under **Goal I: Thrill Our Customers**.

SHORT-TERM OBJECTIVES: We will accomplish Objectives III-1 through III- 4 in 12 months.

Objective III-1: Find Out What Our Customers Want and Deliver it (Also Objective I-3)

Our customers are the ultimate judges of product and service excellence.

Objective III-2: Keep Your Promises to Meet Project Commitments (Also Objective I-1)

Excellent products and services must comply with stated project goals and commitments. If anything goes wrong, communicate quickly!

Objective III-3: Plan Ahead [Develop Management Plans for all major service areas.]

Strategies:

To prepare for changes in customer demand, economic adjustments and advances in technology, we will:

- ◆ Review **management plan models** and methods, including topics such as Scope, Cost, Schedule, Roles & Responsibilities, and Change Methodology,
- ◆ Determine which methods will be **appropriate** for RESD program, and
- ◆ Develop and **implement management plans** for major projects.

Performance Measurement Methods: *Develop tools/metric devices for performance measurement based upon data derived from planning activities*

Mid-Term Objectives: We will accomplish Objectives III-5, III-6 and III-7 in 24 months.

Objective III-4: Make data easy to get.
[Provide seamless access to data.]

Strategies: To assure that we have the right information for vital program decisions and can document our performance, we will:

- ◆ Develop and implement a RESD **corporate data base**
- ◆ **Evaluate** existing data systems.
- ◆ **Eliminate** redundancies.
- ◆ Provide **access** as required

Performance Measurement Methods: *Develop measurement methods and tools.*

Objective III-5: Deliver What Our Customers Want When They Want It
(Also Objective I-5)

Excellent products and services depend on timely delivery.

Objective III-6: Make Our Buildings Look Right, Feel Right, Work Right, and Endure
[Implement Excellence in Public Buildings Initiative Recommendations – Plan, design, construct, operate and manage buildings that are energy efficient and incorporate cost-effective, proven sustainable building measures.]

Strategies: To assure that we have the right information for vital program decisions and can document our performance, we will:

- ◆ Actively participate on the **EXCELLENCE IN PUBLIC BUILDINGS** Implementation teams,
- ◆ Include Exhibit “D” from the Excellence in Public Buildings Initiative in **design agreements** for selected projects,
- ◆ Actively **participate** in the development and refinements of the RESD Sustainable Team, the Sustainable Building Technical Group and the Sustainable Building Task Force,
- ◆ Implement “**commissioning**” procedures for suitable projects
- ◆ Include Exhibit “C” from the Energy Efficiency and Sustainable Design Measures in all **design agreements** over \$10,000,
- ◆ Obtain **LEED ratings** on selected projects,
- ◆ Provide sustainable **training** to all staff involved in planning, and
- ◆ Perform **Energy Star ratings** on DGS-owned buildings.

Performance Measurement Methods: *Projects completed that comply with “sustainability” and “excellence” guidelines.*

Long-Term Objectives: We will accomplish Objectives III-8, III-9, and III-10 in 36 months.

Objective III-7: Develop and Implement a RES D Marketing Plan

Strategies: To continue providing excellent services and products to satisfied customers, we will:

- ◆ **Evaluate** existing data systems.
- ◆ Form a **team** to develop and implement a marketing plan, and
- ◆ **Coordinate** plan with DGS Exec.

Performance Measurement Methods: *Customer surveys; number of requests for service.*

Objective III-8: Deliver the Most Bang for the Buck (Also Objective I-6)

Excellent products and services must produce results at reasonable costs.

Objective III-9: Do Things Right the First Time [Reduce/Eliminate rework]

Strategies: To minimize the costs, time, losses in productivity and customer frustration associated with rework, we will:

- ◆ Develop and Implement a **Quality Control** and **Quality Assurance** Program in each major service area,
- ◆ Determine **amount of re-work** (adjusted for scope changes, client revisions, etc.) in major service areas.
- ◆ Prepare and publicize "**lessons learned**" findings from previous projects.

Performance Measurement Methods: *Frequency, cost, and rates of required re-work.*

Objective III-10: Do the right thing the right way.
[Eliminate Unnecessary Processes and Work.]

Strategies: To improve operational efficiency, we will:

- ◆ **Evaluate** work processes,
- ◆ **Identify** unnecessary processes for elimination,
- ◆ **Discover** efficient processes to adapt to RES D operations, and
- ◆ Insist on **excellence**.

Performance Measurement Methods: *Time, dollars saved due to processes eliminated*

GOAL IV: BE RESPONSIBLE – ETHICALLY, LEGALLY AND FISCALLY

The Department of General Services, the Governor, other State Agencies, the Legislature and the taxpayers rely on us to perform our work in a manner that is ethical, legal and fiscally responsible. We can best serve our customers by meeting their needs in a manner consistent with the responsibilities entrusted to us. Making Responsibility a formal goal highlights the importance of this aspect of the products and services we provide.

SHORT-TERM OBJECTIVE: We will accomplish Objective 1 in 12 months.

Objective IV-1: Keep Your Promises to Meet Project Commitments
(Also Objective I-2)

MID-TERM OBJECTIVES: We will accomplish Objectives IV-2, IV-3 and IV-4 in 24 months.

Objective IV-2: Deliver What Our Customers Want When They Want It
(Also Objectives I-5 and III-6)

On-time delivery will allow customer agencies to provide timely public service.

Objective IV-3: Meet Our Financial Goals
[Meet or exceed goals contained in the Annual Financial Plan]

Strategies:

To assure that we live within our means, we will:

- ◆ Obtain **accurate and timely financial reports**, including monthly Income and Expense statements, and
- ◆ **Adjust** our operations and expenditures to stay within the plan.

Performance Measurement Methods: Annual Financial Reports

Objective IV-4: Stay out of trouble [Reduce adverse legal actions.]

- Strategies:** To prevent claims resulting from RESD activities and proactively manage such claims, we will:
- ◆ Implement a pro-active claims management program (similar to the Office of Risk and Insurance Management vehicle insurance program),
 - ◆ Improve quality of documents,
 - ◆ Pre-qualify contractors,
 - ◆ Similarly address legal actions in other areas, such as Personnel, and
 - ◆ Track claims and settlements, including workers' compensation claims.

Performance Measurement Methods: *Number and rates of claims filed and dollars paid*

Long-Term Objectives: We will accomplish Objectives IV-5 through IV-8 in 36 months.

Objective IV-5: Deliver the most bang for the buck. (Also Objectives I-6 and III-2)

Stakeholders, the Legislature and the public deserve fiscal responsibility.

Objective IV-6: Find Out What Our Stakeholders Think

- Strategies:** To continue providing excellent services and products to satisfied customers, we will:
- ◆ **Identify** our stakeholders and meet with them
 - ◆ Develop a **stakeholder survey document** and procedure,
 - ◆ Conduct and **annual** stakeholder survey,
 - ◆ Analyze and **review** the results, and
 - ◆ Develop and implement a **plan for improving** stakeholder satisfaction.

Performance Measurement Methods: *Stakeholder survey results*

Objective IV-7: Align the law to reflect best business practices.

- Strategies:**
3. Many of the statutory requirements that govern our operations were enacted many years ago and do not accurately reflect today's design and construction environment. To establish a legal basis for pursuing "best practices, we will:
 - ◆ Form teams to **identify needed provisions**,
 - ◆ Identify and document **statutory and administrative obstacles** to using recognized industry best practices,
 - ◆ Develop **recommendations**, and
 - ◆ Work with the Office of Legislation to **draft proposed language**.

Performance Measurement Methods: *Proposed legislation; bills signed and chaptered.*

**Objective IV-8: Do the right thing the right way
(Also Objective III-10)**

Stakeholders, the Legislature, the public and our customers should be assured that we are removing unnecessary procedures, streamlining our work processes and eliminating red tape.

WHAT WE WILL DO

PROPOSAL TO PREPARE THE IMPLEMENTATION PLAN

We have selected the strategies described in the previous section because they

- ◆ Will accomplish our objectives and help to achieve the Division goals
- ◆ Can be undertaken within the next few years
- ◆ Are within our current capabilities, and
- ◆ Offer the best chances of success at reasonable cost

But this is just the beginning. The hard work lies ahead, requiring enthusiastic support from Division and Department leaders. It will also require a commitment of additional staff and funding resources.

Action Proposal

Requirements Making the RESD Strategic Plan a reality will require us to prepare a detailed **Implementation Plan** which will:

- ◆ Break out the **tasks and activities** associated with each strategy
- ◆ Specify the **sequence and timing** of activities needed to implement each strategy
- ◆ Identify the **resource requirements** to produce the Implementation Plan, to implement the Strategic Plan's strategies and to maintain the Strategic Plan
- ◆ Assign (organizational or personal) **responsibilities** for performing the tasks and activities
- ◆ Establish **deadlines** for completing the tasks and activities
- ◆ Prepare us to **evaluate** the effectiveness of the planning cycle (see the following section: HOW ARE WE DOING? MONITORING AND EVALUATION)
- ◆ Make **changes** needed to accommodate new conditions or unexpected results

Deliverable This effort will produce a full **Implementation Plan** conforming to the requirements listed above. The work will follow final review, approval and a strong, enthusiastic commitment by the Deputy Director and Division leaders.

HOW ARE WE DOING?

MONITORING AND EVALUATION

This Plan is a living document. Its survival will depend on responding to changing conditions and meeting new challenges. We must be prepared to review its effectiveness and adapt it to future conditions. Accordingly, this section:

- ◆ sets forth the procedures for revising the plan,
- ◆ recommends who should accomplish the revisions, and
- ◆ suggests guidelines for measuring performance.

The following materials outline the major requirements.

PLAN MAINTENANCE

Quarterly Progress Report

1. The **Business Operations, Policy and Planning Branch (BOPP)** will assign a **plan coordinator** to obtain performance data from individuals designated as each Branch's strategic planning representative.
2. At the end of each fiscal year quarter the BOPP coordinator will prepare a **Quarterly Progress Report including** a summary of documented progress and results achieved for each objective and goal in the plan.
3. This Quarterly Progress Report will be sent to members of the **Strategic Planning Team**.
4. The Team will review the report and meet to discuss the results and make **recommendations for changes** to meet the stated goals and objectives.
5. The Quarterly Report will contain a section on Long Range Planning, which will explore the following issues:
 - Current Strengths, Weaknesses, Opportunities, and Threats
 - Emerging Impacts, Critical Success Factors and Trends
 - Changes in products and services to meet customer demands
 - Organization structure implications of needed product/service changes
 - Management, staffing and resource requirements of new customer demands
 - What RESD needs to accomplish to become one of the leading public sector real estate entities in the U.S.

Annual Revision Every year the Strategic Planning Team will **update** the Strategic Plan and present it to the Branch Chiefs, the Assistant Deputy Director, and the Deputy Director of Real Estate Services Division.

ROLES AND RESPONSIBILITIES

Deputy Director for Real Estate Services

- ◆ **Approves** the Strategic Plan and the Annual revisions.
(The Deputy Director and Assistant Deputy Director will actively endorse and support all aspects of the plan.)
- ◆ Initiates the development of the Division's **Long Range Vision**.

Assistant Deputy Director and Branch Chiefs

- ◆ **Implement** the strategies included in the plan.
- ◆ **Review** quarterly recommendations made by the Strategic Plan Team and **approve** any changes to the goals, objectives, strategies, and performance measures.
- ◆ **Present** the Quarterly Report and Annual Revision to the Deputy Director.
- ◆ **Review** the Long Range Planning issues identified in the Quarterly Reports (see #5 on page 31) and assign responsibilities for modifying elements of the Strategic Plan.

RES D Strategic Plan Analyst

- ◆ Obtain quarterly **performance data** from each Branch
- ◆ Prepare a **summary report** that summarizes the progress and results achieved for each goal and objective.
- ◆ Send the report to members of the **Strategic Plan Team** one week before the quarterly meeting.

RES D Strategic Plan Team

- ◆ **Evaluate** the quarterly report and make recommendations for changes.

(These changes could be for individual branches to accomplish strategic activities and revisions to the goals, objectives, or strategies.)
- ◆ **Present** the quarterly report to the Assistant Branch Chiefs and the Branch Chiefs.

**RESD
Employees**

- ◆ Ensure that everything they do **contributes** to meeting the plan's goals and objectives
- ◆ Provide **suggestions** and **recommendations** to improve RESD operations and the Strategic Plan
- ◆ Participate in defining the methods and processes required to meet our objectives

Communication: A Vital Ingredient

To successfully implement the Plan, we need to know that RESD employees are familiar with its premises and understand the aspects that apply directly to their work. We expect that this level of comprehension will require a combination of written (hard copy or electronic) materials and participation in exchanges with other staff members. The following discussion suggests a multi-level approach to sharing this information.

Start at the Top

Without convincing evidence of support from the Deputy Director and the Assistant Deputy Director, and Branch Chiefs, Division personnel will not take the Plan seriously. To succeed, we will need strong, spirited official endorsements. Moreover, because actions always speak louder than words, we propose that these top leaders consider:

- ◆ Symbolic gestures, such as formal "thanks" to the staff who worked on and produced the plan
- ◆ Assignments to Assistant Branch Chiefs and Branch managers for completing specific parts of the Implementation Plan, involving working level employees
- ◆ A commitment of resources to complete the Implementation Plan
- ◆ A commitment to appoint a Strategic Plan analyst/coordinator

***Bring Everyone
on Board***

Division employees, especially those in direct contact with our customers, must understand and welcome the ideas expressed in this Plan. More importantly, they need to integrate the Plan's Strategies into their daily activities.

One proven method of instilling new ideas and reinforcing their use is **direct involvement** in the process. The preparation of the **Implementation Plan** offers a unique opportunity to acquaint employees at all levels with the Plan's concepts and to apply their own expertise in fashioning effective, customer-focused services.

Participation

When the RESD Executive Team has approved/endorsed the Plan, the Branch Chiefs and Assistant Branch Chiefs will:

- ◆ Schedule meetings with Branch managers and supervisors to explain the Plan and its implications for their work
- ◆ Require written submissions describing how managers and supervisors will involve employees in preparing relevant sections of the **Implementation Plan**

***Plan
Distribution***

With the approval of the current Plan, the Planning Team will make it available by e-mail and as hard copy. Branch Chiefs will assure that every RESD employee has an opportunity to read the Plan.

When the Implementation Plan is completed all employees will receive an e-mail notice with a link to the Strategic Plan document on the RESD Intranet site. Notice of the RESD Strategic Plan, Quarterly Progress Report and Annual Revisions will distributed in the same way.

APPENDIX A

BRANCH OVERVIEWS

(Data from January 1, 2002)



**Real Estate Services
Division**

**STRATEGIC PLAN
FY 2002-2003**

The Organization Charts below show the six branches of the Real Estate Services Division:

1. **Asset Planning and Enhancement (APE)**
2. **Business Operations, Policy and Planning (BOPP)**
3. **Building and Property Management (BPM)**
4. **Customer Account Management Branch (CAM)**
5. **Professional Services Branch (PSB)**
6. **Project Management Branch (PMB)**

1. **ASSET PLANNING AND ENHANCEMENT BRANCH**

The Asset Planning and Enhancement Branch (APE) conducts planning, optimizes the use of the State's Real Estate Assets, and generates the maximum value from the excess. The Branch has two sections:

- ◆ **Long range Planning and Portfolio Management**, which develops statewide real estate management and facility development plans and coordinates occupancy in DGS- owned facilities.
- ◆ **Asset Enhancement**, charged with or enhancing the value of the State's Real Estate portfolio and generating maximum revenue from surplus and underutilized properties.
- ◆ **Sale and Reuse Strategies--Asset Enhancement Unit**

APE EXPENDITURE AUTHORITY BY FUND	
SRF/INTRAFUND	\$2,000,000
PAL	\$2,674,000
GF	\$ 250,000
PYs	23.7

SCOPE OF SERVICES:
<ul style="list-style-type: none"> ▪ Policy ▪ Capitol Area Plan ▪ Child care ▪ Siting ▪ Knowledge of the real state Market ▪ Economic Analysis Studies ▪ Long Term Forecasting ▪ New Project Screening ▪ Regional Strategic Plans ▪ Individual Facility Plans

2. BUSINESS OPERATIONS, POLICY AND PLANNING BRANCH

The Business Operations, Policy and Planning Branch (BOPP) provides common administrative functions and support services for all RESD branches. These services include human resources, training, policy and planning, budgets, accounting, and contracting.

BOPP EXPENDITURE AUTHORITY BY FUND

SRF/INTRAFUND	\$2,399,000
ARF	\$1,884,000
PAL	\$ 117,000
GENERAL FUND	\$ 29,000
EARTHQUAKE BOND	\$ 22,000
PYs	50.7

SCOPE OF SERVICES:

- Personnel Recruitment Packages
- Employee Interview and selection
- Open Recruitment Exam Plans
- Training: Planning & Scheduling
- Budget Preparation
- Expenditure Monitoring
- BCP Preparation
- Invoice Payment
- Contract Preparation
- Strategic Planning
- Performance Measurement
- ABMS Oversight

3. BUILDING AND PROPERTY MANAGEMENT BRANCH

The Department of General Services has been responsible for managing the State's buildings and properties since the department was established in 1964. The Building and Property Management Branch (BPM) provides high quality and cost effective services required to support and enhance the value of the State's real estate portfolio. BPM operations reach from the Pacific Ocean eastward, cover entire length of the Sacramento and San Joaquin Valleys, the Inland Empire, and from Red Bluff in the north to San Diego in the south. Major operations are headquartered in Sacramento, the Bay Area, Los Angeles, and San Diego.

BPM EXPENDITURE AUTHORITY BY FUND

GENERAL FUND	\$5,673,000
1. SRF/INTRAFUND	\$108,830,000
2. SRF REVENUE BOND	\$82,554,000
3. PYs	1,324.8

SCOPE OF SERVICES

- Facility Management to All State Agencies
- Operations and Repair
- Janitorial
- Grounds keeping
- Window Cleaning
- Engineering
- HVAC
- Trades and Crafts: Electrical, Carpentry, Plumbing, Locksmithing
- Environmental Health and Safety

4. CUSTOMER ACCOUNT MANAGEMENT BRANCH

This Branch houses Customer Account Managers (CAMs), who provide the initial point of contact between the customer and RESD. The Branch offers the single point of entry for customers requesting new services. As members of the RESD Management Team, the CAMs function as program managers, administering and overseeing the delivery of RESD services. Their knowledge of the State's infrastructure and administrative processes uniquely positions these workers to provide RESD customers with high quality, cost effective and timely solutions to their real estate needs.

CAM EXPENDITURE AUTHORITY BY FUND

SRF/INTRAFUND	\$738,000
ARF	\$551,000
PAL	\$ 71,000
GENERAL FUND	\$ 14,000
EARTHQUAKE BOND	\$ 15,000
PYs	13.3

SCOPE OF SERVICES:

- Coordination of Complex Real Estate Projects
- Negotiation of Specific Project issues with Customer
- Definition of Project Scope
- Investigate and Recommend Alternative Solutions for Customer
- Oversight of Services for Customer
- Facilitate Conflict Resolution
- Prepare/Review Project Proposals
- Develop Service Delivery Agreements

5. PROFESSIONAL SERVICES BRANCH

The July 1997 reorganization of the Real Estate Services Division created the Professional Services Branch (PSB). With headquarters in West Sacramento and two offices in Sacramento, seven more area offices are found in Napa, Yountville, Atascadero, Pasadena, Los Angeles, Norwalk and Rancho Bernardo. The Branch's purpose includes ensuring quality, cost effective, and timely professional services for client agencies statewide.

PSB EXPENDITURE AUTHORITY BY FUND

SRF/INTRAFUND	\$12,702,000
ARF	\$20,714,000
PAL	\$ 1,720,000
GENERAL FUND	\$ 3,404,000
EARTHQUAKE BOND	\$ 738,000
SEISMIC GAS VALVE	\$ 76,000
PYs	400.8

SCOPE OF SERVICES:

- Architectural and Engineering Services
- Space Planning and Interior Design
- Leasing (Private and State-Owned)
- Appraisal, Acquisition and Sales Services
- Construction Management/Inspection
- Direct construction
- Environmental Services
- Toxic site Investigation/Remediation
- Seismic Retrofit Services

6. PROJECT MANAGEMENT BRANCH

The Project Management Branch (PMB) plans and manages the development of capital outlay projects throughout the State. Developing the documentation required for important capital outlay projects, this Branch helps State agencies obtain legislative authorization and funding. The branch contracts for design and construction, and prepares and manages the systems required for successful project completions such as:

- ◆ Capital Outlay Budget Change Proposals
- ◆ Funding documents related to debt funding
- ◆ Project funds control systems
- ◆ Scheduling and monitoring systems

PMB EXPENDITURE AUTHORITY BY FUND

ARF	\$10,115,000
PYs	100.5

SCOPE OF SERVICES:

- Project management
- Design management
- Construction management
- Cost estimates
- Scheduling
- Claims management
- Commissioning
- Post Occupancy Evaluation
- Sustainable measures
- Energy efficiency measures
- Special studies

APPENDIX B:
STRENGTHS, WEAKNESSES,
OPPORTUNITIES AND THREATS
and
IMPACTS, CRITICAL SUCCESS
FACTORS AND TRENDS



**Real Estate Services
Division**

**STRATEGIC PLAN
FY 2002-2003**

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

Strengths	Weaknesses	Opportunities	Threats
State of the art technologies	Lack of momentum (charter team inertia)	Increased demand in energy efficiency	Dissolution of BOPP
Separate fund sources	No Marketing Plan	Increased demand in sustainability	Increased departmental overhead
Government code (DGS Mandate, DOF/LAO Support)	Conducting business over the Internet	Increased demand in security	Agency non-budgeted initiatives (increased reporting, shifting priorities)
Adept at responding to change	Timely hiring of new staff to meet workload demand	Excellence in Public Buildings Initiative	Morale (RESD sweatshop)
RESD commitment to training	Disconnected data	Changes in Building Codes	Increasing client delegations
Sense of humor	Branch v. Division	Increase Customer Partnerships	Looming iceberg (Energy workload)
Assistant Branch Chiefs	Inter-branch rivalries	Meet Customer Needs	Impact of budget cuts
RESD remains a full service division	Lack of recognition of interdependence	Market success stories	Reduction in General Funds
RESD programs influence departmental direction	Cumbersome policies and procedures	Deliver excellent buildings	Aging workforce (increased retirement rate)
Collective knowledge and experience (talented management and staff)	Conflicting policy direction	Innovative project delivery systems	Fewer young people entering trades, which may result in a shortage of skilled workers available to contractors.
I.T. Infrastructure	Perceived poor client communication	Seamless information integration.	Increasing costs of Performance and Payment Bonds.

Strengths	Weaknesses	Opportunities	Threats
I.T. Staff	Integrated RESD Training Program		Hiring Freeze
Matrix based organization			Capital Outlay Process
Customer oriented			Pay inequity (public v. private)
Results oriented			
Quality products			
Commitment to Sustainability and Energy Efficiency			
Creative Thinking			
Willingness to help			
Single point of responsibility			

Impacts, Critical Success Factors and Trends

Impacts – We have considered the following factors in the Strategic Plan because they will affect RESD's future.

1. A tight State budget through at least June 2004. This will result in very few capital outlay projects funded from the General Fund. Estimated number of new capital projects for each of the next three fiscal years is 20 per year.
2. Due to the tight State budget alternate funding sources especially bonds have been used to fund projects. However, there are limits to the amount of bond debt that the State may assume. Therefore, these alternate funding sources may be less available for future projects. However, proposals have been submitted for additional bond funded projects, especially for schools.
3. The State will continue to emphasize increasing the energy efficiency of State buildings.
4. The State will continue to emphasize sustainability in public buildings.
5. Concerns about the security have increased, resulting in demand for more projects involving enhanced security features. The need to protect State employees, visitors, buildings will require RESD staff to spend additional time on security issues.
6. Changes in building codes are expected as a result of terrorist attacks of September 11, 2001 that resulted in the collapse of the World Trade Center towers.
7. Our new Division goal: Thrill the customer.
8. Some State agencies may not wish to utilize RESD services on some projects while others may not be aware of our services. RESD must be willing to advertise and to encourage State agencies to use our services.
9. RESD will need to address a changing work force in both the public and private sector. An aging State work force will result in additional retirements, losing institutional knowledge within the division and client agencies. On the private sector side, today fewer young people are entering the trades, which may result in a shortage of skilled workers available to contractors.
10. Technology will continue to change rapidly, including the increasing use of the Internet to conduct business. Our building tenants will need greater capability, such as broadband connectivity in DGS buildings.
11. The division is committed to developing and implementing the Post-Occupancy Evaluation Program.
12. Environmental factors, such as asbestos, lead, and other hazared will continue to require attention, especially on renovations and projects in brownfield areas. These concerns will affect renovations of older buildings or redevelopment in former rail yards or military bases.
13. The costs of construction along with the cost and availability of land vary extensively in throughout California.
14. Tariffs on imported steel will increase cost of construction projects.

15. Fewer contractors will be able to obtain performance and payment bonds because the cost will be 25%-200% higher all due to fallout from the collapse of Enron.
16. We need to encourage client agencies to take advantage of economies of scale by combining operations.
17. Budget constraints and inflation will continue to erode building operating and maintenance budgets. In the long term, this will require more new buildings and leasing as it will be too costly to renovate existing buildings.

B. Critical Success Factors – The following are critical for the success of RESD:

1. Maintain and enhance RESD's credibility with the following key stakeholders:
 - a. Customer agencies
 - b. Governor's Office
 - c. Legislature (elected officials and staff) (LAO)
 - d. Control agencies (Department of Finance)
 - e. State Treasurer
 - f. Bureau of State Audits
 - g. Taxpayers
2. Recruit and retain a competent staff
3. Continue to maintain an effective management team.
4. Develop and implement training and development plans for RESD employees to ensure that they have up to date knowledge and skills.
5. Provide services at or below existing market rates.
6. Flexibility with respect to budget and personnel matters.
7. Effective use of charter teams.
8. Advertise to other agencies the services available through RESD.
9. Administrative relief from dilatory, unproductive requirements.

C. Trends: Due to budget issues public sector agencies will need to develop ways to get more work done with fewer resources. Also public sector agencies must address recruiting and training staff to replace those who leave for retirement or to return to the private sector. Public sector agencies are increasing efforts to save energy and money. Efforts are also in progress to increase the use of the Internet in providing government services.

1. Finding ways to recruit competent employees considering that the State generally pays less than the private sector for many positions.
2. Increase automation of staff work wherever possible.
3. Excellence in Public Buildings.
4. Sustainable Buildings—design, construction, leasing, operations and maintenance.
5. Energy Efficient Buildings—design, construction, leasing, operations and maintenance.
6. Total Building Commissioning.
7. Post-Occupancy Evaluation program.
8. Efficient use of both energy and water. Recycling of waste materials whenever possible.
9. Growth of e-government makes many government services available over the Internet.
10. Security and threats to public facilities.
11. Increasing needs to consider employee transportation.
12. Issues arising from inter-governmental relationships.
13. Issues arising from relationships with private entities.

Note: The Impacts, Critical Success Factors and Trends were developed by John Isham of Project Management Branch. As part of the research for this paper numerous documents were reviewed including: Engineering News-Record, The Kiplinger Letter, "The 2002-03 Budget Bill: Perspectives and Issues", Legislative Analyst's Office, "UCLA Anderson Forecast", UCLA The Anderson School of Business, and the websites for the Department of General Services and the Legislative Analyst's office.

APPENDIX C:

DURATION MATRIX

(Months to Completion)



**Real Estate Services
Division**

**STRATEGIC PLAN
FY 2002-2003**

GOAL	A. SHORT TERM OBJECTIVES (Implement within 12 months)	B. MID-TERM OBJECTIVES (Implement within 24 months)	C. LONG-TERM OBJECTIVES (Implement within 36 months)
1. THRILL OUR CUSTOMERS	I-1: Connect with our customers. (Improve communication with our customers.) <i>Measurement Method: Customer surveys. Track response time. Track status reporting.</i>	I-4: Find out and improve what our customers think of us. <i>Measurement Method: Annual Customer Survey</i>	I-6: Deliver the most bang for the buck. (Complete projects within budget.) <i>Measurement Method: Develop measurement devices based on verifiable data</i>
	I-2: Keep your promises to meet project commitments <i>Measurement Method: Post Occupancy Evaluations</i>	1.5 Deliver what our customers want when they want it. (Complete projects on schedule) <i>Measurement Method: Annual Variance Report (Major Capital Projects); develop other metrics</i>	
	I-3: Find out what our customers want; deliver what they want. (Increase the number/percentage of projects completed within authorized scope.) <i>Measurement Method: Develop tools/metric devices for performance measurement based upon data.</i>		
GOAL II: GET AND KEEP GREAT PEOPLE	II-1: Find Enough Talented people to Get the Job Done 4. <i>Measurement Method: Vacancy rates.</i>	II-2: Make our people feel part of the team. (Increase Employee Satisfaction) <i>Measurement Method: Annual Employee Survey</i>	II-5: Promote good health. <i>Measurement Method: Sick leave use and rates; Number and rates of Workers' Comp. Claims, expenditures and rates</i>
	5.	II-3: Celebrate Great Work. [Acknowledge superior performance.] <i>Measurement Method: Trends in frequency and proportion of Superior Performance awards</i>	

GOAL**A. SHORT TERM OBJECTIVES**
(Implement within 12 months)**B. MID-TERM OBJECTIVES** (Implement
within 24 months)**C. LONG-TERM OBJECTIVES**
(Implement within 36 months)

GOAL II: GET AND KEEP GREAT PEOPLE (CONT'D)		II-4: Provide great tools for great people [Assure that we have the resources and training to provide excellent products and services.] <i>Measurement Method: A completed facilities and equipment Plan with provisions for regular updates; Verify that the Division has completed a Training Plan with provisions for regular updates</i>	
GOAL III: PROVIDE EXCELLENT PRODUCTS AND SERVICES	III-1: Same as I-3: Find out what our customers want; deliver what they want.	III-4: Make data easy to get. <i>Measurement Method: Time, dollars saved by processes eliminated.</i>	III-7: Develop and Implement a RESD Marketing Plan <i>Measurement Method: Trends in income generated; number of requests for service; dollar value of projects completed.</i>
	III-2: Same as I-1: Keep Your Promises to Meet Project Commitments	III-5: Same as I-4: Deliver What Our Customers Want When They Want It.	III-8: Same I-6: Deliver the Most Bang for the Buck
	III-3: Plan Ahead. <i>Measurement Method: Develop performance measurement based on data derived from planning activities</i>	III-6: Make Our Buildings Look Right, Feel Right, Work Right, and Endure. <i>Measurement Method: Completed projects meeting "sustainable" and "excellence" standards</i>	III-9: Do Things Right the First Time <i>Measurement Method: Frequency, cost, and rates of required re-work.</i>
			III-10: Do the right thing the right way. <i>Measurement Method: Time, dollars saved due to processes eliminate</i>

GOAL**A. SHORT TERM OBJECTIVES**
(Implement within 12 months)**B. MID-TERM OBJECTIVES**
(Implement within 24 months)**C. LONG-TERM OBJECTIVES**
(Implement within 36 months)

GOAL IV: BE RESPONSIBLE – ETHICALLY, LEGALLY AND FISCALLY.	IV-1: Same as Objectives I-2: Keep your promises to meet project commitments.	IV-2: Same as Objectives I-5 and III-6: Deliver What Our Customers Want When They Want It	IV-5: Same as Objectives I-6 and III-2: Deliver the most bang for the buck.
		IV-3: Meet Our Financial Goals <i>Measurement Method: Annual Financial Reports</i>	IV-6: Find Out What Our Stakeholders Think <i>Measurement Method: Stakeholder survey results</i>
		IV-4: Stay out of Trouble <i>Measurement Method: Incidence of claims filed resulting from RESD actions</i>	IV-7: Align the law to reflect best business practices <i>Measurement Method: Proposed legislation; bills signed and chaptered</i>
			IV-8: Same as Objective III-10: Do the right thing the right way